

AMENDED IN ASSEMBLY JUNE 21, 2012

AMENDED IN ASSEMBLY JUNE 12, 2012

AMENDED IN SENATE JANUARY 4, 2012

AMENDED IN SENATE MARCH 23, 2011

## SENATE BILL

**No. 721**

---

### **Introduced by Senator Lowenthal**

*(Principal coauthors: Assembly Members Block and Portantino)*

*(Coauthor: Assembly Member Lara)*

February 18, 2011

---

An act to add Chapter 13 (commencing with Section 67050) to Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 721, as amended, Lowenthal. California postsecondary education: state goals.

Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 segments of public postsecondary education in this state.

Existing law establishes a higher education accountability program under which the University of California, the California State University, and the California Community Colleges are required to prepare a list of reports on a regular basis and present those reports to the Legislature and to state agencies.

This bill would state the intent of the Legislature that budget and policy decisions regarding postsecondary education generally adhere to 3 specified goals. The bill would also state the intent of the Legislature to identify and define appropriate metrics in order to monitor progress toward the achievement of those 3 goals and establish interim targets for those metrics to be achieved by 2025. The bill would require the Legislative Analyst's Office to convene a working group to develop those metrics, and any recommended interim targets for those metrics, as specified. The bill would require the Legislative Analyst's Office, in consultation with the Department of Finance, to submit recommended metrics to specified persons and entities on or before January 1, 2013. The bill would state the intent of the Legislature to formally adopt statewide metrics based on those recommended metrics. Commencing September 30, 2013, the bill would require the Legislative Analyst's Office to annually release a statewide performance report, as specified, using each of the statewide metrics adopted by the Legislature. Commencing January 1, 2014, the bill would require the Legislative Analyst's Office to annually provide its own assessment of progress toward the achievement of those 3 goals, as specified, with recommendations for legislative action, as appropriate. The bill also would require the segments of postsecondary education, as defined, to have the opportunity to annually provide their own ~~assessment~~ *assessments*. The bill would also state additional legislative intent and make specified findings and declarations regarding state goals for postsecondary education.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 13 (commencing with Section 67050)  
2 is added to Part 40 of Division 5 of Title 3 of the Education Code,  
3 to read:  
4  
5 CHAPTER 13. STATE GOALS FOR CALIFORNIA'S POSTSECONDARY  
6 EDUCATION SYSTEM  
7  
8 67050. The Legislature finds and declares all of the following:  
9 (a) Since the enactment of the Master Plan for Higher Education  
10 in 1960, California's system of postsecondary education has

1 provided access and high-quality educational opportunities that  
2 have fueled California's economic growth and promoted social  
3 mobility.

4 (b) In today's global information economy, California's national  
5 and international success as an educational and economic leader  
6 will require strategic investments in, and improved management  
7 of, state educational resources.

8 (c) Several factors, including changing demographics, rising  
9 costs, increased competition for scarce state funding, and employer  
10 concerns about graduates' skills, present new challenges to higher  
11 education and state policymakers in effectively meeting the  
12 postsecondary education needs of Californians.

13 (d) Although the public segments of higher education have each  
14 undertaken efforts to improve reporting and transparency, these  
15 efforts do not combine to indicate whether the postsecondary  
16 system as a whole is on track to meet the state's needs.

17 (e) The absence of a common vision and goals for California's  
18 postsecondary education system hinders the state's ability to  
19 effectively make critical fiscal and policy decisions.

20 (f) Policy and educational leaders should collectively hold  
21 themselves accountable for meeting the state's civic and workforce  
22 needs, for ensuring the efficient and responsible management of  
23 public resources, and for ensuring that California residents have  
24 the opportunity to successfully pursue and achieve their  
25 postsecondary educational goals.

26 67051. In order to promote the state's competitive economic  
27 position and quality of civic life, it is necessary to increase the  
28 level of educational attainment of California's adult population to  
29 meet the state's civic and workforce needs. To achieve that  
30 objective, it is the intent of the Legislature that budget and policy  
31 decisions regarding postsecondary education generally adhere to  
32 all of the following goals:

33 (a) Improve student success, which shall include, but not be  
34 limited to, greater participation by demographic groups that have  
35 historically participated at lower rates, greater completion rates  
36 by all students, and improved outcomes for graduates.

37 (b) Better align ~~the types of~~ degrees and credentials with the  
38 state's economic, workforce, and civic needs.

1 (c) Ensure the effective and efficient use of resources in order  
2 to increase high-quality postsecondary educational outcomes and  
3 maintain affordability.

4 67052. (a) The Legislature intends to identify and define  
5 appropriate metrics in order to monitor progress toward the  
6 achievement of the goals specified in Section 67051. The metrics  
7 should take into account the distinct missions of the different  
8 segments of postsecondary education. The Legislature further  
9 intends to establish interim targets for those metrics to be achieved  
10 by 2025.

11 (b) (1) The metrics and any recommended interim targets for  
12 those metrics referenced in subdivision (a) shall be developed with  
13 the assistance of a working group that shall be convened by the  
14 Legislative Analyst's Office. The Legislative Analyst's Office  
15 shall assemble the working group by selecting participants as  
16 follows:

17 (A) (i) One representative from each of the postsecondary  
18 education segments, as defined in Section 67055, and a  
19 representative of the State Department of Education.

20 (ii) The representative of the independent institutions of higher  
21 education shall be from the official organization representing the  
22 largest number of independent institutions of higher education in  
23 the state. The representative of the private postsecondary  
24 educational institutions shall be the chief of the Bureau for Private  
25 Postsecondary Education, or the chief's designee.

26 (B) One representative of the Department of Finance.

27 (C) At least one member, but no more than three members, with  
28 expertise in similar state accountability efforts, who is not a regular  
29 employee of a postsecondary education segment.

30 (D) A representative of the Legislative Analyst's Office, who  
31 shall serve as the chairperson of the working group.

32 (2) The Legislative Analyst's Office may request technical input  
33 from any agency that maintains data that would be helpful in  
34 developing the metrics and assessing progress toward achieving  
35 the goals specified in Section 67051.

36 (3) The working group established pursuant to paragraph (1)  
37 shall develop a set of at least 6, and no more than 12, metrics that  
38 can be derived from publicly available data sources for purposes  
39 of periodically assessing the state's progress toward meeting each  
40 of the goals specified in Section 67051. The metrics shall be

1 disaggregated and reported by gender, race or ethnicity, income,  
2 age group, and full-time or part-time enrollment status, where  
3 appropriate and applicable.

4 (4) The Legislative Analyst's Office, in consultation with the  
5 Department of Finance, shall submit recommended metrics  
6 developed pursuant to paragraph (1) to the appropriate policy  
7 committees of the Legislature, the Joint Legislative Budget  
8 Committee, and the Governor on or before January 31, 2013.

9 (5) It is the intent of the Legislature to formally adopt statewide  
10 metrics based on the recommendations submitted by the Legislative  
11 Analyst's Office pursuant to paragraph (4) and to use these metrics  
12 to monitor progress toward achieving the goals specified in Section  
13 67051.

14 67053. It is the intent of the Legislature to promote progress  
15 on the statewide educational and economic policy goals specified  
16 in Section 67051 through budget and policy decisions regarding  
17 higher education. It is the intent of the Legislature that the state  
18 level reporting system established pursuant to Section 67054  
19 ensures the effective and efficient use of state resources available  
20 to postsecondary education.

21 67054. (a) Commencing September 30, 2013, the Legislative  
22 Analyst's Office shall annually release a statewide performance  
23 report using each of the metrics adopted by the Legislature pursuant  
24 to paragraph (5) of subdivision (b) of Section 67052. The report  
25 shall benchmark each of the metrics against the interim target  
26 established pursuant to subdivision (a) of Section 67052 and against  
27 an appropriate contextual range of other states' performance. This  
28 report shall be available publicly for use by the segments of  
29 postsecondary education, the Governor, the Department of Finance,  
30 the Legislature, and other stakeholder groups to make their own  
31 assessments about the performance of the postsecondary education  
32 system.

33 (b) Commencing January 1, 2014, the Legislative Analyst's  
34 Office shall annually provide its own assessment of progress  
35 toward the achievement of the goals specified in Section 67051,  
36 with recommendations for legislative action, as appropriate. The  
37 Legislative Analyst's Office's assessment and recommendations,  
38 ~~and along with~~ any assessments of ~~programs~~ *progress* from the  
39 segments of postsecondary education, shall be provided as part of

1 the budget hearing process. Specifically, the Legislative Analyst's  
2 Office's assessment shall do all of the following:

3 (1) Assess the level of progress toward achieving the goals  
4 specified in Section 67051 and outcomes achieved.

5 (2) Identify significant factors that may explain the level of  
6 progress and outcomes specified in paragraph (1).

7 (3) Identify postsecondary education policy and funding options  
8 suggested by the metrics developed pursuant to subdivision (b) of  
9 Section 67052 for consideration by the Governor and the  
10 Legislature.

11 (c) The segments of postsecondary education shall have the  
12 opportunity to annually provide their own ~~assessment~~ *assessments*  
13 of progress toward achieving the goals specified in Section 67051.

14 67055. For the purposes of this chapter, "segments of  
15 postsecondary education" means the California Community  
16 Colleges, the California State University, the University of  
17 California, independent institutions of higher education, as defined  
18 in Section 66010, and private postsecondary educational  
19 institutions, as defined in Section 94858.